



Recommendation of the Council on
the OECD Benchmark Definition of
Foreign Direct Investment

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Date(s)

Adopted on 22/05/2008

Background Information

The Recommendation on the OECD Benchmark Definition of Foreign Direct Investment was adopted by the OECD Council on 22 May 2008 on the proposal of the Investment Committee. Recognising that recording comprehensive, comparable and up-to-date statistics on Foreign Direct Investment (FDI) is a prerequisite for economic analysis and policy making, the Recommendation calls on Adherents to take steps to bring their statistical methodology in line with the OECD Benchmark Definition of Foreign Direct Investment (BMD) which is set out in the Annex to the Recommendation. The BMD, fully consistent with the IMF Balance of Payments and International Investment Positions Manual and the general economic concepts set out by the United Nation's System of National Accounts (SNA), provides operational guidance on how FDI data should be compiled to meet internationally agreed standards. It reviews the main statistical concepts and definitions of FDI, the valuation of FDI flows and stocks, and issues related to specific transactions and entities. Practical solutions are proposed and concrete examples are used wherever possible.

THE COUNCIL,

HAVING REGARD to Article 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Resolution of the Council of 12 February 2004 [C(2004)3] and CORR1] on the Terms of Reference of the Investment Committee;

HAVING REGARD to the Recommendation of the Council of 27-28 July 1995 concerning the Third Edition of the Benchmark Definition of Foreign Direct Investment [C(95)112(Final)];

CONSIDERING that improvements have been achieved in the comparability of data collected on foreign direct investment since the first publication of the OECD Benchmark Definition of Foreign Direct Investment in 1983 but that however divergences still exist between the methodologies used by some Member countries and the methodology of the Benchmark;

RECOGNISING the desirability of ensuring that the methodology of the Benchmark continues to reflect the reality of foreign direct investment transactions in a globalising world economy;

On the proposal of the Investment Committee;

I. RECOMMENDS that Member countries continue to take steps to bring their statistical methodology into line with the OECD Benchmark Definition of Foreign Direct Investment as set out in Annex¹, and to consider 2010 as a target year for its full implementation, thereby providing a comparable and reliable basis for users of foreign direct investment statistics.

II. INSTRUCTS the Investment Committee, through its Working Group on International Investment Statistics: (i) to continue co-ordinating within OECD the collection of information on international direct investment and multinational enterprises; (ii) to collect and publish at regular intervals stock and flow data on inward and outward foreign direct investment; (iii) to prepare accompanying methodological notes in light of the results of the Survey of Implementation of Methodological Standards for Direct Investment; documenting areas where the methodology used by Member countries differs from the OECD Benchmark Definition; (iv) to take steps for the harmonisation and integration of FDI statistics and the statistics on the activities of multinational enterprises to respond to the needs of the analysis of the global economy; and (v) to keep abreast of new developments impacting statistical methodologies, including issues indicated in Annex 13 of the OECD Benchmark Definition.

III. DECIDES to repeal the Recommendation of the Council C(95)112(Final) referred to above.

¹ [OECD Benchmark Definition of Foreign Direct Investment -- 4th Edition](#)

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